

The Sustainability Institute of Canada,
operating as Sustainability Network

Financial Statements

December 31, 2012

The Sustainability Institute of Canada,
operating as Sustainability Network

Financial Statements

December 31, 2012

Index

Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Net Assets	3
Statement of Revenue and Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8



March 28, 2013

Independent Auditors' Report

To the Board of Directors of The Sustainability Institute of Canada

Report on the financial statements

We have audited the accompanying financial statements of The Sustainability Institute of Canada, which comprise the balance sheet as at December 31, 2012 and the statements of net assets, revenue and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sustainability Institute of Canada as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in cursive script that reads 'Chaplin & Co'.

Chartered Accountants
Licensed Public Accountants

Roger Chaplin CA MA [Oxon] Gail Bergman CA B Comm

The Sustainability Institute of Canada,
operating as Sustainability Network

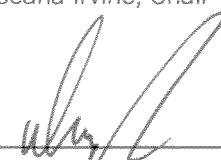
Balance Sheet

Page 2

	Note	December 31	
		2012	2011
Assets			
Current assets			
Cash		\$ 206,249	\$ 259,884
Accounts receivable		8,164	11,708
Prepaid expenses and sundry assets		1,295	1,288
		<u>\$ 215,708</u>	<u>\$ 272,880</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 6,608	\$ 7,586
Unearned revenue		-	17,775
Deferred income	3	67,000	114,500
		<u>73,608</u>	<u>139,861</u>
Net assets			
Net assets invested in operating reserve fund			
Unrestricted net assets		111,498	106,496
		30,602	26,523
		<u>142,100</u>	<u>133,019</u>
		<u>\$ 215,708</u>	<u>\$ 272,880</u>

Approved on behalf of the Board of Directors
of The Sustainability Institute of Canada


Seana Irvine, Chair


Wanda Prochazka, Treasurer

	Operating reserve fund	Unrestricted	Total Year ended December 31	
			2012	2011
Balance, beginning of year	\$ 81,496	\$ 51,523	\$ 133,019	\$ 102,425
Excess of revenue over expenses for the year	-	9,081	9,081	30,594
Transfer between funds (note 4)	30,002	(30,002)	-	-
Balance, end of year	<u>\$ 111,498</u>	<u>\$ 30,602</u>	<u>\$ 142,100</u>	<u>\$ 133,019</u>

	Year ended December 31	
	2012	2011
Revenue		
Grants	\$ 280,409	\$ 364,900
Donations	7,175	5,408
Subscriptions	-	2,562
Events	16,124	18,964
Sales and consulting	2,770	11,288
Rental income	900	840
Interest income	1,823	3,018
Sundry	4,435	10,759
	<u>313,636</u>	<u>417,739</u>
Expenses		
Bank charges	566	798
Board meetings and volunteers	-	820
Books	549	2,618
Computer	1,661	6,505
Consulting	57,208	108,623
Event costs	22,775	35,732
Insurance	754	730
Occupancy	15,279	14,755
Office and general	4,232	5,761
Printing	2,210	390
Professional fees	4,222	3,044
Salaries and benefits	161,249	154,938
Travel	33,850	52,431
	<u>304,555</u>	<u>387,145</u>
Excess of revenue over expenses for the year	<u>\$ 9,081</u>	<u>\$ 30,594</u>

	Year ended December 31	
	2012	2011
Cash provided by (used in)		
Operations		
Excess of revenue over expenses for the year	\$ 9,081	\$ 30,594
Non-cash working capital		
Accounts receivable	3,547	(2,966)
Prepaid expenses and sundry assets	(7)	2,738
Accounts payable and accrued liabilities	(18,756)	(38,888)
Deferred income	(47,500)	(44,250)
	<u>(53,635)</u>	<u>(52,772)</u>
Change in cash during year	(53,635)	(52,772)
Cash, beginning of year	259,884	312,656
Cash, end of year	<u>\$ 206,249</u>	<u>\$ 259,884</u>

1. Purpose of the Organization

The Sustainability Institute of Canada received its Letters Patent as a corporation without share capital under the Canada Corporations Act on September 13, 2001 and became a registered charity under the Income Tax Act effective January 1, 2002.

The organization's goal is to strengthen the capacity of the environmental community in Canada by improving organizational management, planning and fundraising skills of non-profit organizations.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared using the standards of Part III of the CICA Accounting Handbook, Accounting Standards for Not-For-Profit Organizations.

Fund accounting

These financial statements are prepared on a restricted fund basis:

General fund

The general fund accounts for the organizations programming and administrative activities.

Operating reserve fund

The organization has determined that an operating reserve fund to cover six months of the salaries and administrative expenses included in the organization's budget for the following fiscal year should be established as an operating reserve fund. A transfer is made to or from this fund annually to reflect the amount required in the fund.

Capital assets

Capital assets are expensed as acquired. During the year \$1,098 (2011 - \$2,944) have been expensed.

Revenue recognition

Funding received is taken into income in the year to which it relates. Amounts received that relate to future fiscal periods are recorded as deferred income.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Deferred income

Deferred contributions represent unspent resources for specific projects as directed by the contributors. Changes in the deferred income balances are as follow:

	Balance December 31 2011	Contributions received (returned) during the year	Utilized during the year	Balance December 31 2012
Alberta Ecotrust	\$ -	\$ 2,000	\$ (2,000)	\$ -
Ivey Foundation-SWAP	-	15,000	-	15,000
Ivey Foundation	50,000	12,000	(62,000)	-
Suncor Energy Foundation	-	20,000	(10,000)	10,000
TD Financial	-	20,000	-	20,000
Ontario Trillium Foundation - Environment & Diversity Project	25,000	65,500	(90,500)	-
Ontario Trillium Foundation - Good to Great Program	39,500	(5,591)	(33,909)	-
Ontario Trillium Foundation - Good to Great Program (Phase 2)	-	94,000	(72,000)	22,000
Winnipeg Foundation	-	10,000	(10,000)	-
	<u>\$ 114,500</u>	<u>\$ 232,909</u>	<u>\$ (280,409)</u>	<u>\$ 67,000</u>

4. Interfund transfers

During the year, the directors approved a transfer of \$30,002 (2011 - \$30,037) from the unrestricted fund to the operating reserve fund.

5. Financial instruments

Fair Value

Financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

Liquidity risk

The organization considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs at a reasonable cost.